

General Information

Tab 1 Development Synopsis

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1260 Housing Development Corporation (1260 HDC) proposes to develop The Stella, an adaptive reuse project which will convert a soon-to-be vacant convent into 44 apartments for veterans, formerly homeless veterans and other low-income individuals. Ten units will be targeted to provide permanent supportive housing for formerly homeless veterans, with services to be provided by the Philadelphia Veterans Multi-Service & Education Center (PVMSEC).

In January of this year, 1260 HDC established a referral relationship with the VA Medical Center in Philadelphia and has been receiving a steady and growing stream of referrals of veterans in need of housing. The VA indicated that many veterans prefer to live in the company of other veterans who have shared similar life experiences. As a result of the increased need for veterans housing, 1260 HDC then decided to develop The Stella as a resource for this population.

Northeast Philadelphia, home to the Stella, has seen a multitude of community investment projects in recent years, including housing, economic, infrastructure, and green space. Many housing developments for low-income seniors and individuals with disabilities have recently opened and more are underway in the Northeast. Millions of state and federal dollars have flowed into the area to attract business development and enhance current institutions such as Aria Health and Holy Family University. The U.S. and Pennsylvania Departments of Transportation have issued grants totally over \$220 million in the area to rebuild and expand roadways and enhance traffic patterns to allow for a smoother commute for thousands of drivers and SEPTA passengers. Additionally, millions of dollars have been invested in local green spaces to enhance the Delaware Riverfront and connections to local parks.

The project is located in Rhawnhurst, a stable residential neighborhood with great access to services and amenities. The property is on the grounds of a complex which includes the former convent building, Nazareth Hospital and Mt. Nazareth Retirement Home. The location is ideal for housing with good access to public transportation, shopping and services. The 45,399 square foot six-story convent will be converted into 44 apartments, management office and community space. Apartments will be constructed to conform to PHFA Threshold Green Building Criteria to ensure energy efficiency, long term sustainability, and to meet the criteria for LEED certification.

The Stella will provide 44 one-bedroom units for low-income persons. Twenty-three of these units will be targeted to low-income veterans. Of these, ten will be used to provide permanent housing for formerly homeless veterans who are moving from transitional housing programs with rents at 20% of area median income. 1260 HDC will work with the City of Philadelphia's Supportive Housing Clearinghouse on the referral and placement of all special needs households. Sixty percent (60%) of the units in The Stella will be reserved for households earning 50% or less of the Area Median Income with the accessible units reserved for those disabled individuals with incomes at 20% or below Area Median Income and the remaining 40% will be for households earning up to 60% AMI

1260 HDC has designed a comprehensive service program for the residents. 1260 HDC will contract with the PVMSEC to provide services to veterans and the other households will receive services through CPM's service coordination program. The proximity of the hospital coupled with 1260's coordination of other community resources will ensure the long term availability of support services.

1260 HDC has a strong record of performance with PHFA resources. Starting in 1996, 1260 HDC has obtained thirteen LIHTC allocations for 504 units and \$71,288,772 in equity. In recent years, 1260 HDC's last three LIHTC projects have earned LEED status – one Platinum and two Gold.

This project has leveraged a mix of private and public resources. The Philadelphia Housing Authority will enter into an Annual Contribution Contract to provide an operating subsidy for 23 units in the project. With the allocation of LIHTCs, financing for the Stella will be complete with the already committed sources of sponsor loan, a seller note from the Sisters of Nazareth and reinvested developer fee.